CAMBODIA

MICRO, SMALL, AND MEDIUM ENTERPRISE 2/BUSINESS ENABLING ENVIRONMENT (MSME 2/BEE)

Quick Facts

USAID works with micro and small enterprises to improve their productivity, increase incomes, and influence government policies on business growth and development.

Results to date:

- USAID assistance to improve economic opportunities for Cambodia's rural poor reached over 3,800 microenterprises and 447 government officers.
- Between 2008 and 2009, the average value of sales for swine enterprise increased 6 percent and gross profit increased 18 percent. Among aquaculture enterprises, value of sales increased 27 percent and gross profit increased 14 percent.

The Program:

The MSME 2/BEE program promotes economic growth in the rural areas of Cambodia, home to 80 percent of the country's population. The program fosters demand for reform through business association development and advocacy, creating a supportive policy environment for microenterprises, and increasing microenterprises' productivity, thereby improving living standards. The program will strengthen over 6,000 enterprises, provide access to clean water for 10,000 households, improve natural resource management of 75,000 hectares of forest area, and review, analyze, or modify 30 laws and regulations that improve the business enabling environment (BEE) for the private sector.

Beneficiaries:

- The program promotes economic growth in the rural areas of Cambodia, through eight value chains: swine, aquaculture, brick and tile, water, sanitation, resin, wild honey and eco-tourism.
- MSME 2/BEE emphasizes the inclusion of female-headed households.

How Entrepreneurs Benefit:

- The program works with leading firms to improve productivity, strengthen relationships across selected value chains, increase investments that lower production costs and improve competitiveness.
- Entrepreneurs advance their interests with local and national governments on issues of trade, investment, and business management, and participate in dialogues to improve the BEE.
- The program strengthens public institutions to implement policy reforms that will improve the BEE.
- It works with provincial governments to develop investment strategies that improve the BEE and attract new investments.

Mr. Keo Heng is an outstanding aquaculture producer in Trapang Chuk village who began his aquaculture business in 2000. "For the last few years, I have grown busier working as a fish farmer and seller," he said. "My income has tripled when compared to previous years." Two years ago, Mr. Keo had two small ponds, and raised fish primarily for family consumption with a little left over to sell to other villagers. But in 2009, he invested nearly $5,000 of the money he earned to build six new ponds. Mr. Heng became a client of MSME in 2008. "I feel like a new person with the assistance I received from this project," he said. "I have gained technical skills through the trainings and experience and new ideas from the local and international exposure trips." Mr. Keo said that he has benefited from increased contacts with input suppliers, traders, government officials, and other business persons. "I have built a network that I can look to for advice," he said.

At the moment, Mr. Keo Heng makes an income of around US $5,000 per year. With this income, he supports five of his children who attend universities in Phnom Penh and another two at secondary school. His business has tripled each year, thanks in part to the knowledge, skills and relationships gained from working with the USAID Cambodia MSME Project.